

Bill title: GPCI Justice Act

Bill number: H.R. 2820

Date introduced: June 11, 2009

Status: Language from this bill has been included in the House version of national health care reform legislation.

Summary: The bill's goal is to correct a flaw in the application of a federal Medicare formula (Geographic Practice Cost Index, known as GPCI) that results in lower Medicare reimbursements for doctors in more than a dozen California counties.

In 1966, when GPCI was initiated, counties were designated as either "rural" or "urban" depending on costs associated with running a practice, with the expectation that those designations would be updated every few years. That never happened, and as a result doctors in counties that have seen economic growth are being compensated at levels significantly lower than those in nearby counties.

The bill would not affect the reimbursement formula itself, but rather force CMS to update its geographic designations using Metropolitan Statistical Area (MSA) data. Designations would be immediately updated, then again every three years to keep reimbursements in line. Studies by the Government Accountability Office, the Medicare Payment Advisory Commission and Acumen, a non-partisan policy research organization, have all concluded that this solution is appropriate.

More about the bill:

- Counties that would see a geographic designation change: El Dorado, Monterey, Placer, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Santa Cruz, Sonoma and Yolo.
- Marin County, which is already labeled as "urban," would also see increases because its MSA includes San Francisco.
- The legislation is limited to California, establishing the state as a pilot program. If successful, the changes could later be applied nationwide.
- The fix includes a hold-harmless clause, meaning other counties designated as "rural" won't suffer when the updates take place.
- Use of MSA data, updated annually, means the most current information will be used in geographic designations. Also, CMS already uses MSA data for hospital reimbursements.